

### COMMISSIONER REPORTS

- Commissioner **Schlaybaugh** will be speaking at the Conservation Coalition meeting tomorrow on fish and wildlife committee priorities for 2015.
- Commissioner **Richardson** attended the MUCC meeting and is going to speak at UP Whitetails on habitat issues. In addition, he received a timber management award.
- Commissioner **Klarr** will be going with the Michigan Falconry Club on Saturday for their winter hunt meet.
- Commissioner **Nichols** attended Jackson County College Sportsman's banquet. **Dr. Newcomb** spoke at the banquet, and received many positive comments. The baseball coach made the comment that this has been a phenomenal partnership working with department and that they would be volunteering again in the fall.
- Chairman **Matonich** attended all staff meeting in Grand Rapids and is looking forward to attending the meeting in Gaylord. He suggests others attend the one in Lansing. Yesterday **Richardson, Nichols** and he met with Governor's chief of staff to discuss where they thought we could help them.

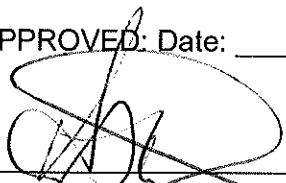
### Next Meeting

Chairman **Matonich** announced that the next meeting of the NRC is scheduled for Thursday, March 19, 2015, at the Ralph A. MacMullan Conference Center, 104 Conservation Drive, Roscommon, MI 48653. Committees meeting in March will be the NRC Policy Committee on Wildlife and Fisheries, the NRC Marketing, Partnerships, Youth and Outreach Advisory Committee.

### Adjournment

Commissioner **Nichols** made a motion to adjourn. Commissioner **Klarr** seconded, and the meeting was adjourned at 6:29 p.m.

APPROVED: Date: 3/23/15

  
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John Matonich, NRC Chairman

  
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Keith Creagh, DNR Director

## MINUTES

### NATURAL RESOURCES COMMISSION

February 12, 2015

Lansing Center

333 E. Michigan, Lansing, 48933

#### **Present for the Natural Resources Commission**

John Matonich, chairman  
J.R. Richardson, vice chairman  
Louise Klarr  
Vicki Pontz  
Christine Crumbaugh  
Tim Nichols  
Rex Schlaybaugh

#### **Present for DNR Staff**

Keith Creagh, DNR director  
William E. Moritz, DNR natural resources deputy  
Dennis Knapp, DNR chief of staff  
Stacy Welling Haughey, DNR, UP regional coordinator  
Peter Manning, legal counsel, Office of the Attorney General  
Cheryl Nelson, executive assistant to the NRC  
Other department staff

#### **COMMITTEE OF THE WHOLE**

Chairman **John Matonich** called the Committee of the Whole meeting to order at 3:03 p.m.

**Michigan Recreation and Parks Association** **Ann Conklin** shared a welcome to the commission and thanked them for being a part of the MRPA conference. Director **Creagh** thanked her and talked about her presentation yesterday, noting that she and her organization have been a strong voice when it comes to the economic development of the Michigan Natural Resources Trust Fund.

**Parks and Trails Update** Parks and Recreation division chief **Ron Olson** reported on the February 3 meeting that he, the director and Belle Isle parks staff had with the Detroit city council, which covered the year in review. Some of the items mentioned included that there were over 2 million visitors at Belle Isle, and \$11.8 million in investments. The Recreation Passport has increased 383% for the time period of what it was before the department took over the lease to what it is now. Very positive media reports came out of this presentation.

**Olson** provided a trails update noting that snowmobile season is in full blast. They are working on partnering on Chippewa Hills mountain biking trail with Forest Resources division. New brochure on the Iron Belle trail is available for talking points.

**Olson** added information on the Silver Lake Off-Road Vehicle area including that at the January 12 meeting four task groups of 15 people were chosen will be tackling four areas that need to be addressed for 2015. The task groups will be meeting on February 13. Their goal is to have these issues resolved and be ready to move forward on March 3. **Olson** also shared the award received by Milliken State Park for outstanding landscape design. **Creagh** says that **Olson** is changing the engagement models, multiple uses and conflict uses and achieving a balance between the public and the resource.

**Marquette Trail Technology** Marketing and Outreach chief **Kristin Phillips** attended the recent Trails Summit, which identified gaps and need for more marketing on trails, talking about Michigan as the trails state, and the need for a common digital place online for all Michigan trails.

**Tom Weston** of Marketing and Outreach division shared information on MI Trails, also that we are partnering with Marquette County for a pilot trails application that will market all trails. The foundation of the project is that we will be adopting a data standard, where we will define all data the same, and there will be one open data portal or repository for all information. The vision for MI Trails is to complement existing applications. The application will showcase businesses along the trail. **Weston** talked about the next steps including a trail audit, validating that the information they have is correct, noting that they are working with local DNR and Marquette city staff to do this. They are looking at a completion date on this pilot of late May or early June.

**Phillips** provided an update on the Michigan Wildlife Council, noting that ten bids have been received from media market firms to educate Michigan's population on the value of hunting and fishing in our state. There is a committee looking at those, with a possible contract start date in early May.

**Michigan Historical Center** **Sandra Clark**, director of the Historical Center shared some artifacts, including an early measuring tape, a simple small compass for a surveyor, also a compass put on rod, and spurs. These items were donated from the family of Marcus Schaaf, who was the first full-time state forester in Michigan.

**Fisheries Annual Report** Fisheries division chief **Jim Dexter** shared highlights from the past year within his division including that the Aquatic Habitats Grant program was launched, Asian carp coordination with state and government agencies, 11 inland creel surveys completed, outreach to anglers has been ramped up, and there are 325,000 subscribers to fisheries items

on GovDelivery. Creel clerks interviewed 45,000 anglers. **Dexter** indicated that he is looking forward to another successful year.

**Budget Update** Director **Creagh** provided an update from the Governor's budget, which included economic impact, FY15 budget update and strategic investments and the FY16 executive budget. He discussed numbers on fishing, hunting, recreation, and resource-based industry. **Creagh** also talked about the FY2015 executive order for budget general fund reductions, aligning spending authority with restricted revenue. **Creagh** shared FY 2016 general fund reductions which total \$9.08 million. The items that are going to be expanded included recreational shooting opportunities.

**Graymont Update** **Bill O'Neill** and **Steve Sutton** presented updated information on the two Graymont applications; the first one is a mineral exchange, and the second is a larger one, which includes land purchase and exchange and purchase of mineral rights. Tribal consultation occurred on January 28, 2015, and the five Tribes in the 1836 Treaty Ceded territory are opposed to the application. There also was a public meeting held in Newberry on January 28. The department has received over 1500 public comments to date. Only 100 of those were specific to the mineral exchange. Many of 1500 are related to economic benefit, environmental aspects and valuation of the natural resources affected by the application. This is a proposed mineral exchange rather than a process of mining activity. Expect Graymont to work with the forest service. The forest service also proposed a mineral exchange. Department staff recommends that the mineral exchange with Graymont be approved.

Graymont has submitted a revised application in regard to the land transaction. There is an increased royalty rate, minimum annual royalty; the department finds the increased royalty rate and the annual royalty amount acceptable. **O'Neill** went on to summarize the details and remaining concerns of each tract.

**Legislative Report** **Trevor VanDyke**, Legislative and Legal Affairs Office Director, provided a written report of legislation related to the department. In addition to the written report, **VanDyke** provided updates on recent legislative highlights.

**Pure Michigan Hunt Presentation** Chief **Mason** shared some information on the applications and drawing. Director **Creagh** introduced the three winners; **Mike DeLorenzo** of Rochester, **Jason Eurich** of Saginaw, and **Michael Sikkenga** of Whitehall. **Mason** thanked all those who donated gifts towards the prize package.

### **PUBLIC APPEARANCES**

(**Stacy Welling Haughey** read the official timekeeping procedures and guidelines for the meeting's public appearances which began at 4:27 p.m.)

**Kathy English** of Trout Lake shared her thoughts of opposition regarding the sale of the Rexton area property to Graymont. She requested that the mineral exchange be tabled until the forest service application is reviewed.

**Bob Hansen** came to speak in opposition of the Graymont purchase. He noted that he has not heard directly that there would be a processing plant. He would like to see performance incentives, until conditions are in sales agreement, he remains opposed.

**Ray Karboske** came before the commission to discuss the Michigan Waterways congressional oversight, because he and **Mr. Henry** would like to move forward to address decades of apparent conflicts of the laws, either through water resources division or Parks and Recreation division without oversight that they feel must come before the commission in regard to the Ludington marina. He would like the commission to recommend that the director issue an order to disallow any seasonal or transitional charter boats in the marina. Director **Creagh** does not believe that the commission is responsible for the actions of the Waterways commission. He asked **Peter Manning** of the Attorney General's office to clarify what the commission's responsibility is.

**Jefferson Henry** went through the packet that he and **Mr. Karboske** presented to the commission, noting that they are working with several hundred people in Ludington and Mason County on many issues, trying to show the commission definitions of what constitutes a vessel that can go into the Ludington marina. **Schlaybaugh** adds that we should get them to the right place to get an answer, provide them with some direction. **Manning** to assist.

**Ed Spinazzola** came before the commission to talk about quiet time in the muzzle-loading season in zone 2. He does not like the muzzle-loading season being the same dates as in the Upper Peninsula and is asking the commission to put the dates back to what they were.

**Amy Trotter**, MUCC, provided a letter from the Conservation Coalition in response to the previous version of the Graymont proposal. Speaking on behalf of MUCC, she notes that they are not opposed to development of mineral resources, more about the land transaction process. They would prefer a lease agreement which would put the department in the driver's seat and would be easier to enforce. MUCC still questions if the land can be designated 'surplus.' **Trotter** would like to be a part of a workgroup to have more discussion on land strategy. Regarding the mineral exchange, they support use of a reciprocal agreement. Reclamation still remains a concern, but is open to ideas about reclamation. They would like to have

conversation at the state legislature level. To ensure that the recreational value remains, they would like to see the public hold the land in perpetuity.

**Mindy Koch**, Michigan Resources Stewards (MRS), supports mining of the state's mineral resources, with minimal adverse impact of surrounding resources, and if public is properly compensated for the minerals produced. Mineral exchange proposal not acceptable to MRS, the temporary royalty provisions do not meet constitutional requirement for equal exchange. Royalty provisions must be in perpetuity. In regard to the sale/exchange application, Graymont is still proposing to allow them to remove all covenants under certain provisions, such as recreational use as well as compensation, delaying initial payment for five years. This is not fair compensation for the state's minerals. Department must retain management control of the surface using common law and statutory requirements. Must provide transparency for the public. Department must have final authority for the land. Latest application is deficient, and needs to be addressed, providing a level playing field when it relates to public resources. Believes there are deficiencies that need to be addressed. Covenants will stay with the land, and under first right of offer, if department does not purchase properties, then covenants may be removed to sell to other buyers. They are asking for a discount. Based on creating a local development fund they are not going to pay for five years. She believes the department should not sell this property.

**Jerry Gostenik** came to discuss proposed changes to bass regulations. He shared his concerns and talked about option 4, year-around catch and release bass season. He spoke particularly about Lake St. Clair. **Gostenik** does not want to see catch and keep during spawning period. He stated that it makes no sense to take bass off their beds. He supports option 3.

**Dean Reid**, Chairman, Mackinac County Planning Commission, came before the commission to request approval of the Graymont land transaction proposal for Mackinac County. **Creagh** added comments that terms of the proposal have changed because staff has done due diligence. He added that concerns were raised and that's the reason why there is an amended proposal. It is a very complicated project and that is the reason why the land transaction is being held over to March 19. By doing this due diligence, he believes the community will be better served.

**Paul Stoll, Jr.**, an employee of Graymont, is a lifelong resident of the Upper Peninsula and believes this project creates opportunity for the people of the state. This project is a great opportunity to supply jobs; they estimate 45 direct jobs, and 41 indirect jobs. He commended the department staff through this process and noted that it has already started to have a positive economic effect on the area.

**Chauncey Moran** commended the department on the extraordinary job being done on the Graymont process. He talked about what the actual royalty is per ton. With the lease

exchange, there is no way to determine equal value of lease exchange, we do not know if there are other minerals under there, as a legacy to the people of the state of Michigan, we should think about it longer. **Moran** is not against the lease exchange, is just against it right now. He thanked the director for the work that has been done under his tutelage and staff for the people of the state of Michigan.

**Cathleen Francois**, of GreeningDetroit.com, which is an informational and education portal of sustainability as well as a media source that represents 120 non-profits, and 35 state and government agencies. Francois invited the department to share press releases with them and added that much of their work is done at no charge. They would like to collaborate with the department by working with the Marketing and Outreach division.

**Todd Gulich**, also of GreeningDetroit.com, talked about what he heard at the meeting today, no matter what we do we are always serving people. **Gulich** likes the depth of the investigation on the application with Graymont. He also likes the fact that the department is thinking in long-term, what is the best for the state. Working with GreeningDetroit.com would be an opportunity to preach the good the department does. **Creagh** pointed **Gulich** and **Francois** to **Ed Golder**.

**Chris Noffsinger** is a charter captain and bass angler would like bass season to align with the walleye and pike opener. Harvesting fish earlier in the season would have a negative effect on the fish population. He is in favor of open catch and release year around.

**Karen A. Kovacich** from Trout Lake, came to speak against the Graymont land transaction. She stated that she believes air quality and water quality will go down if Graymont is allowed to proceed. **Kovacich** stated that this area is important to veterans and veteran rehabilitation. She does not want the mineral rights transferred at this time and doesn't think the area can be reclaimed.

**David Kovacich** also spoke out against Graymont. He mentioned the veterans and the Wilwin Lodge; if mining is done within five miles of the lodge it will be detrimental to the lodge.

**Bruce Gustafson**, representing the Mackinac County Economic Alliance, came to speak in support of the Graymont land transactions. Children are leaving the area, schools are dwindling in size, they need the rivers of opportunity. He appreciates the job the department is doing and encourages them to move forward with the Graymont transactions.

**Al English** made his public appearance to speak out against the Graymont transactions. He added that Trout Lake citizens are opposed to sale and the transfer of land. In closing, he asked the director not to rule on the land transaction applications today.

**Art and Dorothy Mills** spoke in opposition of to the sale and mineral exchange of Graymont. The area up there is beautiful, there is none comparable.

**Herbert Salvatore** came to talk about the Graymont land transactions and would like to see the area left alone.

**Devon Derusha** came to speak in favor of the Graymont project. **Derusha** spoke of the low school enrollment and the lack of jobs. He feels the Graymont transactions could solve this problem. He would like to live and raise his kids in the area where he was raised.

**Lester Livermore** of the Mackinac County Road Commission, is passionate about the area. He stated that he believes Graymont is a river of opportunity for the area. He adds that the community and public are in need of this transaction.

**Dick Pershinske** from Engadine thanked the department and Graymont for their diligence on the land transaction applications. He has a passion for being an Upper Peninsula (UP) third generation farmer. He is here to represent Schoolcraft Farm Bureau and they support the Graymont proposal and would like to see it move forward. Sustainment of jobs in the UP is critical. He would like to see the issues worked through and make the project worthwhile for the area.

**Dean Botek** of the Michigan Darkhouse Angling Association came to speak about darkhouse angling and asked for a winter muskie season on Lake St. Clair. A short winter season would allow hook and line and spearing to take fish. Spearing in Michigan has a long history, currently with about 20,000 members. It's a great family opportunity.

**Dale Hendershot** stated that he was in agreement with the letter from the Conservation Coalition to the department. He is encouraged by the changes that have been made. He mentioned that Bruce Barlow from the Gladwin office is a great ambassador for the department.

**Chairman Matonich** adjourned the public appearances portion of the meeting at 6:18 p.m. and called to order the regular meeting of the NRC at 6:19 p.m. He noted that all commissioners who were present at the Committee of the Whole were present for the regular meeting.

## **REGULAR MEETING OF THE NATURAL RESOURCES COMMISSION**

### **NATURAL RESOURCES COMMISSION ACTION ITEMS**

#### **Approval of Minutes, January 15, 2015 Natural Resources Commission Meeting**

Commissioner **Richardson** made a motion that the minutes of the January 15, 2015, NRC meeting be approved. Commissioner **Pontz** supported the motion. **Matonich** called for discussion, there being none, a vote was taken and the motion carried unanimously.



**Falconry and Raptor Capture Regulations, Wildlife Conservation Order No., 1 of 2015**

Commissioner **Schlaybaugh** moved that Wildlife Conservation Order No. 1 of 2015, Falconry and Raptor Capture Regulations be adopted. Commissioner Nichols supported the motion. **Matonich** called for discussion, there being none a vote was taken and the motion carried unanimously.

**DIRECTOR – FOR INFORMATION ONLY AND ACTION ITEMS**

Director **Creagh** listed the “for information only” items listed on the agenda. He commented on Graymont mineral exchange, staff has recommended that he sign it and he indicated that he intends on doing so. Doing the exchange this does not guarantee mining, the application still has to go through the federal process and Graymont is in conversation with forest service with regard to those minerals. It is predicated on the continuation of that conversation, he would anticipate Graymont being good neighbors and as subsurface owners would work with the surface owners which is a necessity to move forward.

Director **Creagh** then listed the “Director's Action” items listed on the agenda and indicated he would approve all items.

**COMMITTEE REPORTS**

**NRC Policy Committee on Wildlife and Fisheries**

Commissioner **Schlaybaugh** shared that the committee received updates from Fisheries and Wildlife division chiefs, also received the first half of two-part presentation on fish hatcheries. The audience heard from new co-op coordinator, **Anna Mitterling** about the program and goals of hunting co-ops in the state, there was also a report from the UP habitat workgroup, and a wolf management plan process update.

**Michigan State Parks Advisory Committee**

Commissioner **Klarr** commented they had two resolutions of support for general management plans for Straits State Park and McLain State Parks. There was a presentation on the oak wilt problem and the committee received a parks and recreation update.

**NRC Marketing, Partnership, Youth and Outreach Committee**

Commissioner **Nichols** shared that the committee met to talk about what they are going to engage in for the future, including adding new partners to help with marketing and outreach to reach the goals and needs of the commission and the department. The committee will be meeting in March and will be looking at item by item how they can increase the new faces to give us input on how to achieve their goals.